

Alternative B Scenario

This scenario concept is designed to permit exploring the relative benefits of various combinations of assets without first deciding how b2 would be treated. The baseline would be the Accord, Trinity, VAMP and existing COE constraints at Banks. Each set of assets, with selected operating criteria and sharing formulas, would be evaluated through a gaming exercise with the assets used to provide environmental, water supply and water quality benefits in addition to those provided by the base. After each gaming exercise was completed, the amount of b2 water used in the scenario would be estimated using each of the various definitions of b2.

The output of each gaming exercise would therefore be a display of benefits, with each interest group knowing how close the exercise came to satisfying their definition of b2 water. If a combination of assets were found which supplied sufficient benefits to satisfy each interest group, this approach might be an important step towards a resolution without resolving the b2 issue.

If that were not the case, the approach would at least help identify the most promising combinations. Before one of those combinations of assets could be selected as part of the recommended framework, it would have to be reevaluated with the selected definition of b2. That would be necessary because some definitions of b2 would use up so much of the existing flexibility in the CVP/SWP system that they would diminish the benefits that could otherwise be derived from the asset.

Comments from Dave Fullerton

My main concern has to do with getting meaningful outputs from the scenario. If we cannot assume any environmental benefits from b(2) in the gaming (e.g., for VAMP export reductions, or AFRP in-Delta measures) or even the upstream measures, then the necessary size of the account will be enormous -- probably above what we can generate during early Stage 1 using identified assets. Just look what happened when we pulled out b(2) VAMP and in-Delta measures during game 5. This implies that EWA managers will need to be given the right to use "magic" water during the gaming -- water that would need to be found for this scenario to satisfy bio needs. The water would either be b(2) water or some hypothetical water purchase (and we could set up some sort of cost curve to estimate what it would cost) and we could decide later which it is.

I don't like using magic water because it always casts doubt on the results. But it will probably be needed for this approach.

Comments from BJ and BJ's description of the alternative approach.

Pete,

I have included your draft and Big Dave's comment in this attachment for convenience.

I do not understand Dave's comment. Maybe Dave is assuming that we must account for the 800,000 AF/yr according to DOI's method. I think that is the issue we must avoid.

As I see it, we would have environmental benefits from whatever combination of baseline requirements and EWA-flexibly-applied requirements that we had in the scenario. The more stringent the baseline and the bigger the EWA, the greater the environmental benefits.

Whether those amounted to enough environmental benefit would be a judgement the DT made after seeing our analysis of the scenario and its environmental benefits.

Another, somewhat separated issue would be how much b(2) water is used in the scenario. The answer to this question would depend on which accounting method you used, and we would use any methods the DT wanted us to use. One method would certainly be the DOI method. Another would be the water user method. EDF might offer a third method. We would report the results of these methods to the DT.

So, they would get two environmental results from each scenario, the environmental benefits and the various estimates of the amount of b(2) water used. If the DT wanted us to modify the scenario to use more or less b(2) water according to whatever accounting methods they preferred, they could tell us, and we could shift the baseline and the sharing formulas to produce another scenario.

The next big question would be which set of baseline requirements and what sharing formulas should be used to produce a "middle ground" scenario. I have two thoughts:

I think we should use a baseline and sharing formulas that we think will produce more water for export than the Accord + upstream AFRP. That is an easy thing to analyze, so it should be possible to set up a scenario that has a high degree of achieving at least that objective. Then, we should use every means at our disposal to maximize the environmental benefits. I do not think the group is ready to consider flexing anything but E/I, so our options may be limited. If we could flex other requirements, I think the DNCT already concluded that we could produce more environmental benefits, but we may not be ready for that yet.

We would then analyze the environmental benefits. I think we must carry this analysis farther than we have in the past. Specifically, I think we must try to place the environmental benefits in some sort of context. Up until now, all we have produced are estimates of, say reduced entrainment and reduced indirect mortality. I think we must carry this one, and, preferably, two, steps farther.

The first step would be to estimate the benefits in terms of population level effects. (For example, what is entrainment reduction in terms of percent of the population.) This would give the DT an idea of whether these benefits were important or not. Second, we should

compare these benefits to environmental benefits of other programs including ERP, Category III, and the Restoration Fund. This would allow the DT to see whether or not the entire CalFed Program was producing benefits that were or were not on the path to recovery. It would also allow them to see what relative role the EWA benefits played in that path to recovery.

I also think we should put the ag/urban export in the same broad context, coupling those benefits with the efficiency, transfer, and recycling programs of CalFed.

Finally, here is my description of the alternative method to Pete's of how to deal with b(2).

There is a second scenario concept for dealing with b(2). In this concept, at least two and possibly three scenarios would be created at a time. One scenario would embody the b(2) position of DOI, another scenario would use the water users position on b(2), and, possibly, a third scenario would be set up in accordance with the position of environmental interests on b(2).

Each scenario would be analyzed for its environmental, water supply, and water quality benefits. The results of these analyses would be reported to the DT who would decide how the scenarios should be modified or combined.